

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7507

BILL NUMBER: SB 1

NOTE PREPARED: Feb 22, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Teacher Evaluations and Licensing.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR: Rep. Behning

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Advisory Board:* This bill eliminates the advisory board of the Division of Professional Standards of the Department of Education. It repeals references to the advisory board and the existing staff performance evaluation provisions, and makes corresponding changes to related sections.

Charter School: The bill provides that at least 50% of the teachers in a charter school are required to be licensed as teachers, or be in the process of obtaining a license (unless the State Board of Education waives the limitation).

License Revocation: The bill requires the Department of Education to revoke the license of a licensed school employee if the employee is convicted in another state or under federal statutes of an offense that is comparable to the felonies for which the employee's license would be revoked if committed in Indiana.

Performance Evaluation: The bill establishes an annual staff performance evaluation that categorizes teachers as highly effective, effective, improvement necessary, or ineffective. It specifies that a teacher rated ineffective or improvement necessary may not receive a raise or increment for the following year.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Summary:*

(1) *Performance Evaluation, Salary Schedule:* This requirement could represent an additional workload and/or expenditure on the Department of Education (DOE) and the State Board of Education outside of their routine administrative functions. This bill does not appropriate any additional resources to

accomplish this task. If in-house expertise is not available to develop an evaluation plan, outside consultants may have to be employed. Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend on legislative and administrative actions.

(2) Transition to Teaching Program: This bill would probably increase the number of institutions offering a Transition to Teaching program. The number of individuals applying to currently accredited programs would probably decrease.

Advisory Board: Under current law, the advisory board of the Division of Professional Standards advises the Superintendent of Public Education, the State Board of Education, DOE, and the Division of Professional Standards on matters concerning teacher education, licensing, and professional development. This bill would eliminate the advisory board and transfer its mandate to the State Board of Education.

License Revocation: Current law requires that the DOE, after due deliberation, permanently revoke the license of an employee who has been convicted of a felony as outlined in the law (e.g., kidnapping of minors, sexual misconduct, dealing in drugs). This bill extends the mandate to permanently revoke an employee's license to include conviction of a federal offense, or an offense in another state that is comparable to a felony in Indiana that would result in license revocation. The bill also adds homicide to the list of offenses for which an employee's license would be revoked. The DOE should be able to implement this provision within existing resources.

(Revised) Performance Evaluation: Before January 31, 2012, the State Board of Education has to adopt rules that establish the criteria that define each performance category, the measures that define student performance, the standards that define what actions constitute a negative impact on student performance, and an acceptable set of standards for training evaluators.

The bill directs the Board to collaborate with the DOE to develop a model plan and release it to school corporations. Additionally, the bill directs the Board and the Department to ensure the availability of ongoing training for evaluators on how to properly conduct an evaluation.

The DOE is to report the results of the evaluations to the Board in the following categories: the number of certified teachers in each performance category in each school and each school corporation and the number of graduates of each teacher preparation program in each performance category.

(Revised) Salary Schedule: Not later than June 30, 2012, the bill requires that the DOE develop and publish a salary schedule that a school corporation may adopt. The State Board of Accounts or the Department is authorized to review the salary schedule of a school corporation and report the results to the State Board of Education. Additionally, the Department is to publish the salary schedules of school corporations on its website.

(Revised) Transition to Teaching Program: Under current law, only accredited teacher training institutions may offer the Transition to Teaching (T2T) program. Under this bill, this program may be offered by any entity approved by the DOE. The bill also stipulates that the course of study must include preparation in scientifically based reading instruction. The licenses that would be offered have also been revised. Under current law, individuals may obtain a license to teach kindergarten through Grade 5, and/or Grade 6 to Grade 12. Under this bill, licenses would be offered to teach kindergarten through Grade 6, and Grade 5 to Grade 12.

Background: The T2T program trains individuals who already possess at least a bachelor's degree to be teachers. It is based on the premise that the candidate already has the content knowledge in the licensing area. Each accredited education institution in the state is required to offer or be in collaboration with other institutions to offer a T2T program. In 2009, approximately 684 individuals graduated from a T2T program.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Summary:*

(1) *Charter Schools:* This would probably increase the number of applicants available to teach in charter schools.

(2) *Performance Evaluation:* If the corporation decides not to use the plan developed by the DOE, the cost of designing its own plan could be substantial. Corporations would also incur the cost of training evaluators. If the corporation decides to employ private evaluators, this would add to the costs.

(3) *Hiring Staff:* The fiscal impact would depend on local action.

(4) *Attendance Officers:* This gives the school superintendent greater flexibility in managing and allocating available personnel. In some cases, someone other than a teacher (e.g., a social worker) might be more appropriate to resolve the issue at hand.

(5) *Salary Schedule:* The fiscal impact would be negligible. However, individual teachers may be adversely or positively impacted by this provision.

Charter Schools: Under current law, an individual who teaches in a charter school must either be a licensed teacher or be enrolled in a transition to teaching program. This provision would permit an individual to teach in a charter school if the individual has at least a bachelor's degree with a grade-point average of at least 3.0 on a 4.0 point scale in the content area in which the individual would be teaching.

Up to 50% of teachers in charter schools may be employed under this provision (i.e., have a bachelor's degree with at least a 3.0 grade-point average). At least 50% must be licensed or in a teacher training program. A school can request a waiver from the state board to increase that number.

(Revised) *Performance Evaluation:* This bill repeals the current staff performance evaluation statute. Under the bill, each school corporation, charter school including virtual charter school, school created by an inter-local agreement, special education cooperative, and joint career and technical education program has to develop a plan for annual performance evaluation for each certified employee. The plan is to be implemented beginning with the 2012-2013 school year.

This bill stipulates that the plan include an objective measure of student achievement and growth using statewide assessment results whenever possible, and specifies that an employee who received an unfavorable rating is entitled to develop a remediation plan. Subject to the Department's approval, the school corporation may develop its own plan or use the plan developed by the DOE. The school has to provide the results of the evaluations to the Department.

Hiring Staff: Under current law, the governing body makes the hiring decisions for the school corporation.

Under this bill, the governing body's authority has been curtailed. Some hiring decisions have been delegated to superintendents, some to school principals. For example, the governing body under current law is permitted to hire teachers; under this bill, this would be the responsibility of the school principal. The governing body would still be responsible for hiring the school superintendent.

(Revised) *Attendance Officers*: Under this provision, an attendance officer would not have to be a qualified teacher but can be any school employee.

(Revised) *Accreditation*: Under current law, the State Board of Education establishes standards governing the accreditation for public schools. A school has to meet certain performance-based benchmarks (listed in the school's annual performance report) and legal standards before it can be accredited.

This bill deletes some of the legal standards (minimum time requirements for school activity, staff-student ratio requirements), and modifies the requirements of the school improvement plan to have it focus more on academic performance and how to measure improvement in student performance.

(Revised) *Salary Schedule*: Under current law, a teacher's minimum salary must be computed based on the teacher's education, experience, and degree completed. Under this bill, a teacher's salary or salary increments would be computed based on experience, performance evaluation ratings, and assignments to instructor leadership positions such as an appointment as a performance evaluator. Each corporation would have to submit its salary schedule to the DOE to be published.

The bill also specifies that a teacher who is given an unfavorable performance rating may be denied an increase in salary for the following year. The compensation that would have been allocated to teachers for attaining additional degrees or graduate credit hours or awarded to those with an unfavorable rating would be allocated to those teachers with favorable performance ratings under this bill.

Explanation of Local Revenues:

State Agencies Affected: Department of Education; State Board of Education; Division of Professional Standards; State Board of Accounts; Teacher Preparation Programs.

Local Agencies Affected: School Corporations, Governing Boards of School Corporations; Charter Schools

Information Sources: DOE website, <http://www.doe.in.gov/educatorlicensing/tot.html>.

Fiscal Analyst: David Lusan, 317-232-9592.